

Draft Annual  
Governance  
Statement 2020/21

## Introduction

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The Annual Governance Statement is a review of our activities to ensure that the County Council is carrying out its functions effectively. The review includes an update of governance issues previously identified, current issues and an evaluation of the future position of the County Council.

Our risk management process is a key part of our governance arrangements and provides assurance that:

- our business is conducted in accordance with all relevant laws and regulations;
- public money is safeguarded and properly accounted for; and
- resources are used economically, efficiently and effectively to achieve agreed priorities which benefit local people.

## The governance framework

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This Annual Governance Statement is published in accordance with the CIPFA/SoLACE Delivering Good Governance in Local Government Framework 2016. This comprises systems and processes for the direction and control of the County Council and the activities through which it accounts to, engages with and leads the community. It enables us to monitor the achievement of strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The County Council is committed to improving governance through a process of continual evaluation and review, delivered through the seven principles of good governance as identified in the Delivering Good Governance in Local Government Framework 2016 and supported by processes which strengthen corporate governance such as the Corporate Risk Management Group.

Our system of internal control is designed to manage risk to a reasonable level and is based on an ongoing process to identify and manage risks to the achievement of policies, aims and objectives, to evaluate the likelihood of those risks being realised, and to manage them efficiently, effectively and economically. It cannot eliminate all risk of failure but provides reasonable assurance of effectiveness.



Set out below are the activities carried out by the County Council which contribute to our delivery of the seven principles in the CIPFA/SoLACE Framework during 2020/21.

### **Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

We have arrangements in place to provide assurance that our values are upheld, and that members and officers demonstrate high standards of conduct and behaviour to comply with laws and regulations.

These include:

- Codes of conduct for officers and members;
- The inclusion of ethical values in policies and procedures for all areas;
- A complaints procedure ensuring appropriate investigation and response
- A Whistleblowing Policy which enables employees and others who have serious concerns about any aspect of the Council's work to come forward and voice those concerns;
- A commitment to equality of opportunity for all citizens, in line with the Public Sector Duty as set out in the Equality Act 2010; and
- Our Constitution, which sets out the conditions to ensure that all officers, key post holders and members can fulfil their responsibilities in accordance with legislative requirements. Roles, responsibilities and delegated authority for individual Members, the Council, Cabinet and senior officers are documented.

### **Core Principle B: Ensuring openness and comprehensive stakeholder engagement**

The Chief Executive, Chief Officer Group and Strategic Leadership Team value and are committed to acting on staff feedback. The

County Council has an annual staff survey, frequent pulse surveys and staff briefings. Staff are involved in issue resolution arrangements.

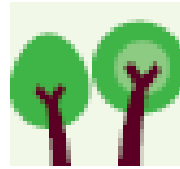
In 2020/21, the 2020 Worcestershire County Council Viewpoint Survey enabled Councillors and Officers to engage with members of the local community to receive feedback and monitor public perception in relation to local priorities, satisfaction with Council services and level of engagement.

Feedback from events and surveys help to inform the Council's four corporate priorities: supporting Children and families, promoting Health and Well Being, protecting the Environment and championing Open for Business.

We are registered as a Controller under the General Data Protection Regulation (GDPR) which governs how we manage and process the information we collect and retain. We have a nominated Data Protection Officer and procedures in place that explain how we use and share information, as well as arrangements for members of the public to access information. We have also adopted the model publication scheme produced by the Information Commissioner's Office.

### **Core Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits**

Our Corporate Plan, Shaping Worcestershire's Future 2017-22, identifies four key priorities that help us shape the future vision for Worcestershire and focus the delivery of our services.



**The Environment** - Worcestershire's environment is one of our key features and contributes to enhancing the quality of life for residents and visitors. We are committed to improving our infrastructure networks, including transport and digital technology to support business and encourage investment. We also have a key focus on minimising waste which goes to landfill.



**Health and Wellbeing** – we are working with local partners to support our residents to be healthier, live longer, have better quality of life and remain independent for as long as possible. Our focus on adult social care aims to keep people with support and care needs as independent as possible by providing choice in how to live their lives.

All services have plans in place in line with approved budgets to deliver the key outcomes contained in the Corporate Plan. Management of these plans varies by service, but includes key performance indicators, ongoing outcome monitoring and reports to management teams and committees as appropriate.

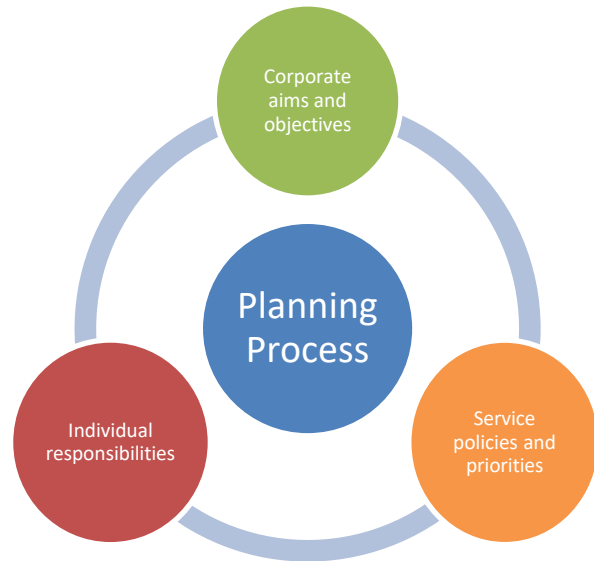


**Open for Business** – we have a significant programme of improvements in workforce skills, employment, infrastructure and productivity. We are aiming to become a financially self-sufficient Council and to achieve this aim we are promoting and supporting businesses in the County and those looking to relocate here.



**Children and Families** – we have a strong focus on improving outcomes for the children, young people and families of Worcestershire. We support schools with achieving a good or outstanding rating by Ofsted and facilitating young people achieving five or more good GCSE's, and support young people moving successfully into employment. These services are delivered in conjunction with our wholly owned company, Worcestershire Children First.

## Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes



The County Council's planning process works to support and optimise delivery and identify and mitigate any risks.

Each key area of focus identifies several aims and targets and responsibility for achieving these lies with individual directorates, and relevant aims and targets are included in individual service delivery plans. Risks and issues are managed by the Risk and Assurance Manager, supported by the Corporate Risk Management Group. The process has been at a high level during 2020/21 as the focus was on the COVID-19 emergency response process with non-COVID-19 risks managed at service level. The Risk and Assurance Manager has retained close contact with the Corporate Risk Management Group during this time and reporting has continued to the Audit and Governance Committee and Covid Silver Command.

Progress against the Corporate Plan is monitored and reported to councillors on a regular basis.

## Core Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

To deliver our objectives, we rely on our staff to carry on the great work they already do daily which is underpinned by Our People Values:

- **Customer Focus** - putting the customer at the heart of everything we do
- **'Can do' Culture** – being proactive to achieve excellence
- **Freedom within Boundaries** – courage to make constructive change

We aim to drive change, develop talent and optimise potential and enable managers and leaders to develop and motivate our workforce to allow it to be future fit. Reviewing the talent and potential of our workforce enables us to better understand and identify the potential we can develop over the coming years.

Our annual performance review scheme forms a central part of our planning process. Discussions and review sessions take place between every member of staff and their line manager to agree and track personal objectives and actions, with formal mid-year reviews as a key part of the process. 98% of staff received mid-year reviews during 2020/21.

## **Core Principle F: Managing risks and performance through robust internal control and strong public financial management**

Risk management is about the identification, analysis and control of threats or events that adversely affect the achievement of the County Council's strategic and operational objectives. It also enables positive risks to be taken to innovate and improve service provision. The Risk Management Strategy details the methodology for evaluating corporate risk management arrangements and its delivery is enabled by the Corporate Risk Management Group. A specific risk framework was put in place to manage the risks identified as a result of the COVID-19 crisis, with the County Council's Corporate Emergency Response Framework activated as part of our response.

The County Council's Anti-Fraud and Corruption Strategy embeds effective standards in countering fraud, corruption and theft. The Chief Financial Officer is responsible for ensuring this Strategy is applied and that the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption is followed. The County Council supports and submits data for the National Fraud Initiative (NFI) and assesses all matches for review and, where appropriate, mitigation.

Financial Regulations form part of the Constitution and set out our financial management framework for ensuring we make the best use of the money we have available to spend. It outlines the financial roles and responsibilities for staff and Members and provides a framework for financial decision-making. Where there are specific statutory powers and duties the Financial Regulations seek to ensure these are duly complied with, as well as reflecting best professional practice and decision-making.

## **Core Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability**

We endeavour to always be open and transparent through our officer and member activity. A large amount of information is available on the County Council website which gives details of the working of the organisation, what we spend, and how our decisions are made.

The Forward Plan provides information about the matters on which the County Council will make decisions. Formal agenda, reports and minutes for all committee meetings are published on our website which ensures that people know what decisions the County Council is planning to take, and the decisions taken.

Our Monitoring Officer has a specific duty to ensure the County Council, its officers and elected councillors maintain the highest standards in all they do. A new Monitoring Officer was appointed in June 2020 to continue to ensure the highest standards of conduct are upheld.

Arrangements are in place to ensure that we fully comply with the requirements of the Public Sector Internal Audit Standards (PSIAS) and CIPFA Statement on the Role of the Head of Internal Audit.

## Assessment of effectiveness of governance arrangements

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The governance framework described above has been in place throughout 2020/21 and maintained to the date of the approval of the Statement of Accounts. Key governance arrangements during 2020/21 comprised the following:

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| <b>Audit &amp; Governance Committee</b>          | The Audit & Governance Committee oversees the audit and corporate governance arrangements of the County Council including annual audit plans and reports of internal and external auditors, the County Council's system of internal control, risk management and prevention and detection of fraud and corruption.                                   |
| <b>Chief Officer Group</b>                       | The Chief Officer Group has responsibility for overseeing the implementation of cross organisational strategy and the development and implementation of operational plans, policies, procedures and budgets prior to Senior Leadership Team and Committee approval. The Group promotes robust, fit for purpose governance across the County Council. |
| <b>Strategic Leadership Team</b>                 | The County Council's Strategic Leadership Team is responsible for ensuring that effective governance arrangements are in place and are subject to regular review. The Team provide leadership, determine policy and uphold expected standards of behaviour.  |
| <b>Overview &amp; Scrutiny Performance Board</b> | The Board's main responsibilities include commissioning work for scrutiny panels and establishing scrutiny task groups to ensure that significant issues are subject to appropriate review and scrutiny.   |
| <b>Standard &amp; Ethics Committee</b>           | The Committee ensures that high standards of conduct are maintained by County Councillors and co-opted member by reference to the Council's Code of Conduct.   |
| <b>Monitoring Officer</b>                        | The Monitoring Officer is responsible for maintaining the register of Councillors' interests and deals with complaints of Member breaches of the County Council's Code of Conduct. The Monitoring Officer has a statutory duty to report breaches of the County Council's legal obligations and findings of maladministration.                       |

|                              |  |
|------------------------------|--|
| <b>Chief Finance Officer</b> | The Chief Financial Officer is responsible for the oversight and delivery of financial management arrangements; achieved through a robust financial control framework, financial regulations, standing orders, a scheme of delegation and an independent and objective Internal Audit function.  |
| <b>Risk Management</b>       | <p>The Corporate Risk Management Group is responsible for maintaining the Corporate Risk Register and monitoring identified risks, controls and mitigating actions. Directorate Leadership Teams monitor and review Directorate Risk Registers and allocate resources to ensure risks management arrangements are effective.</p> <p>Specific risk management procedures are in place in response to the COVID-19 emergency response, led by the Risk and Assurance Manager and reporting to Silver Command on a regular basis.</p> |



## Audit and Audit Assurances

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The Council's Statement of Accounts are audited by Grant Thornton UK LLP. In accordance with statutory requirements, the annual audit includes an examination and certification of the financial statements to confirm they are 'true and fair' and an assessment of the County Council's arrangements to secure economy, efficiency and effectiveness in its use of resources. In 2019/20, Grant Thornton gave an unqualified audit opinion on the financial statements.

Internal audit services are provided by the County Council's in-house team. The team's role is to enhance and protect the County Council's value by providing risk-based and objective assurance, advice and insight. It is responsible for reviewing the adequacy of internal controls across all areas of the County Council and its services are managed and delivered in accordance with the Public Sector Internal Audit Standards (PSIAS).

The work of the Internal Audit team is supported by external providers for specialist reviews such as technical audits of IT systems. Further assurance is provided by reviews undertaken by external agencies including OFSTED, the Care Quality Commission, the Office of the Information Commissioner and other Local Authority Inspectorates.

The Audit & Governance Committee approve the Internal Audit Charter and Audit Plan which outline the role of Internal Audit, its responsibilities and independence and the planned programme of audit work.

The work of Internal Audit has been impacted by the Council's response to the COVID-19 pandemic and also significant staff changes. A flexible plan has enabled work to be focused on key

risks and the Chief Internal Auditor has maintained close links with the leadership of the Council to ensure that adequate assurance and organisational coverage is delivered. Based on the results of assurance and advisory work undertaken during the year, the Chief Internal Auditor's annual opinion is that the control environment provides **moderate assurance** that the significant risks facing the County Council are addressed.

## Significant Governance Considerations

| Recurrent Considerations / Brought Forward from 2019/20  | Update on Progress   |
|--|--|
| <p><b>Serious harm or death of a child or young person</b><br/>Safeguarding risk because of serious harm or death of a child or failure to safeguard children. Reputational risk as a result of poor inspection or service breakdown.</p>  | <p>Safeguarding issues have been monitored and managed through the WCF Performance Board and through partnership working with the Worcestershire Safeguarding Children Partnership (WSCP) and other local strategic partners. Quality Assurance measures are in place safeguarding and activity has been monitored by the WSCP Safeguarding Practice Review Board and Get Safe Partnership Board.</p>  |
| <p><b>Activity exceeds budget allocation</b><br/>Inadequate budgets and / or ineffective financial management will impact on the County Council's ability to effectively provide services and impair our ability to forward plan. The level of earmarked and general reserves could also be impacted by any unplanned draw down.</p> | <p>Regular budget monitoring and forecasting remain a focus of our financial management processes. Management accounts, which report actual income and expenditure against budgeted and forecast performance, have been prepared on a monthly basis and the achievement of savings targets and use of Council reserves has been monitored throughout the year as part of ongoing activity to consider financial sustainability and inform our assessment of going concern.</p> |
| <p><b>Serious harm or death of a vulnerable adult</b><br/>A safeguarding risk because of serious harm / death from failure to safeguard a vulnerable adult. We also face reputational risk as a result of service breakdown.</p>   | <p>A Safeguarding Adult Board is in place with representation from safeguarding partners. A centralised Adult Safeguarding Team located within the Safeguarding Hub ensures competency of staff, information sharing and consistency in decision making. The Adult Safeguarding Team are aligned with the Area Teams and 3 Conversations processes. Staff are assessed against WSAB safeguarding competency framework.</p>   |

| 2020/21 New Governance Considerations | Identified Actions  |
|---------------------------------------|---|
| <p><b>COVID-19</b></p>                | <p>The Council's focus in 2020/21 was on its response to the COVID-19 pandemic; implementing revised governance arrangements and working with strategic partners to deliver an emergency response to safeguard the residents of Worcestershire.</p> <p>Activation of the Corporate Emergency Response Framework and the Worcestershire COVID-19 Economic Response, Recovery and Resilience Group (WERRG) enabled wider engagement and alignment of objectives across local partner organisations. The impact of increased expenditure and lost income directly attributable to the Council's response to COVID-19 was monitored as part of routine financial monitoring activity and reported to Central Government in line with deadlines throughout the year.</p> |

### Issues identified for 2021/22

A number of the issues and corresponding action plans noted above will continue to be the key focus for the County Council's leadership in 2021/22:

- Safeguarding vulnerable children and adults;
- Ensuring a financially sustainable medium-term budget, including monitoring the ongoing financial impact of COVID-19 on budgeted income and expenditure; and
- Consideration of the response to and recovery from the impact of COVID-19 on residents and the local economy, including any legacy impact on care provision.

### Certification

To the best of our knowledge, the governance arrangements, as defined above have been effective. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation during the year and as part of our next annual review and through the County Council's Corporate Risk Management Group.

**Paul Robinson**

**Chief Executive**

**Date: XXXX**

**Simon Geraghty**

**Leader of the County Council**

**Date: XXXX**

